

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 366 – SB 305

March 30, 2017

SUMMARY OF ORIGINAL BILL: Removes certain actions from the list of prohibited acts currently applicable to litigation financiers, thereby authorizing litigation financiers to (a) attempt to effect arbitration or otherwise effect the waiver of a consumer's right to trial by jury, and (b) assign a litigation financing contract in whole or part. Prioritizes the reimbursement of liens provided by litigation financiers over other liens, except child support liens or liens by governmental entities.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006468): Deletes all language after the enacting clause. Makes changes to the list of prohibited acts applicable to litigation financiers, thereby authorizing litigation financiers to effect voluntary arbitration and further authorizing a litigation financier that retains responsibility for collecting payment, administering, or otherwise enforcing the litigation financing contract, to make an assignment that is: to a wholly owned subsidiary of the litigation financier; to an affiliate of the litigation financier that is under common control with the litigation financier; or a grant of security interest pursuant to Tenn. Code Ann. Title 47, Chapter 9 (secured transactions) or is otherwise permitted by law. Prioritizes the reimbursement of liens provided by litigation financier over liens that attach and take effect subsequent to the attachment of the litigation financier's lien to the consumer's legal claim, except for: attorney's liens, insurance carrier liens, medical provider liens, or liens based upon the subrogation interests or rights of reimbursement related to the consumer's legal claim; child support; Medicare tax; or any other statutory or governmental lien.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumptions for the bill as amended:

- This bill as amended will have no significant fiscal impact on any state government entity as it impacts the priority of reimbursement payments for liens provided by or subsequent to litigation financiers.
- No significant impact to the total cases handled by the Division of Consumer Affairs.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

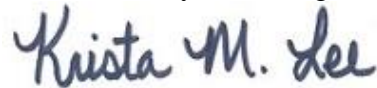
Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- This bill as amended is estimated to have no significant impact on the amount of payments made to companies which provide liens by or subsequent to litigation financiers, but will impact the priority of reimbursement given to such lienholders.
- Passage of this bill as amended will cause no significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb